

U.S. Department of Labor

OCT 13 2004

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



The Honorable Bill Owens
Governor of Colorado
136 State Capitol
Denver, Colorado 80203-1792

Dear Governor Owens:

We are responding in this letter to the State of Colorado's request for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). Our response is provided under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act.

We are pleased with Colorado's many accomplishments in building an effective workforce development system. In the past two years, we have supported the state's need for additional flexibility by approving a waiver of the requirement to competitively select providers of three youth program elements, and a waiver to permit transfer of up to 40 percent of local area allocations between the Adult and Dislocated Worker programs. In June 2004, these waivers were extended for another year. Unfortunately, we are unable to approve your current request for additional waivers.

The following is the disposition of the waiver submission (copy enclosed):

Requested Waiver 1: Waiver of the subsequent eligibility reporting requirements at WIA Section 122(c)(5) and (d)(1).

We are unable to grant a waiver of the reporting requirements. Provisions related to the eligibility of providers are excluded from the Secretary's authority, and cannot be waived. However, the absence of a waiver does not preclude the state from using its own resources to engage in a number of activities outlined in its waiver plan, including establishing an oversight and policy recommendation group, conducting focus groups and surveys with ETP stakeholders, and analyzing various studies and surveys to identify potential subsequent eligibility factors. Additionally, the state may want to consider using a portion of WIA statewide employment and training funds for certain allowable activities to strengthen the ETP system.

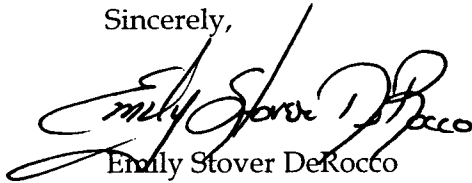
Requested Waiver 2: Waiver of WIA Section 134(a) and 20 CFR 667.210 to permit local boards that receive rapid response funds to charge up to 10 percent of expenditures to the administrative cost category.

We are not approving the requested waiver. WIA Section 134(a)(3)(B) and 20 CFR 667.210 provide that, as part of the 15 percent that a state may reserve for statewide activities, the state may spend up to five percent of the amounts allotted for Adult, Youth and Dislocated Worker programs for the administrative costs of statewide

workforce investment activities. We expect that states are able to provide high-quality statewide workforce investment services while meeting the current administrative cost limitation. Additionally, we confirm the state's assertion in its submission that rapid response funds are to be used for program costs only, and not for administrative activities. In lieu of a waiver, we would be glad to share with your state workforce development staff other effective models of rapid response service delivery that may be useful in addressing their challenges.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local-level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco", written over a horizontal line.

Emily Stover DeRocco

Enclosure